

## Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 082075

50

ORIGIN NEA-09

INFO OCT-01 EUR-12 EA-06 ISO-00 SP-02 AID-05 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 L-02 H-02

AGR-05 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 XMB-02

OPIC-03 LAB-04 SIL-01 /098 R

DRAFTED BY NEA/INS:RBMORLEY:JES

APPROVED BY NEA/INS:DKUX

AID/NESA/SA:JCOLES (INFO)

TREASURY:HSHAPIRO (INFO)

EB/IFD/OMA:BCROWE (INFO)

----- 085598

R 102150Z APR 75

FM SECSTATE WASHDC

TO AMEMBASSY NEW DELHI

AMEMBASSY BONN

AMEMBASSY OTTAWA

AMEMBASSY TOKYO

AMEMBASSY LONDON

AMEMBASSY BERN

AMEMBASSY OSLO

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY VIENNA

LIMITED OFFICIAL USE STATE 082075

E.O. 11652: N/A

TAGS: EFIN, IN

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 082075

SUBJECT: DEBT RESCHEDULING FOR INDIA

REF: STATE 66345

1. DEPARTMENT OFFICERS (KUX, MORLEY) MET WITH RAMAKRISHNA (INDIAN EMBASSY ECONOMIC MINISTER) APRIL 8 TO DISCUSS FREE FOREIGN EXCHANGE (FFX) INITIATIVE. WHILE HE WAS AWARE OF THE GENERAL OUTLINE OF USG PROPOSAL, RAMAKRISHNA WAS NOT ACQUAINTED WITH ALL DETAILS. THESE WERE PROVIDED.

2. RAMAKRISHNA WAS ESPECIALLY INTERESTED IN REACTIONS OF MAJOR CREDITOR NATIONS SUCH AS GERMANY, JAPAN AND UK. HE WAS CONCERNED THAT USG DESIRE TO AVOID RESCHEDULING DEBT THIS YEAR WOULD RESULT IN SIMILAR DECISION BY OTHER CREDITORS. WE ASSURED HIM THAT SO FAR NO CREDITOR HAS RESPONDED NEGATIVELY TO U.S. PROPOSAL, THAT ALL WERE STILL CONSIDERING RESCHEDULING DEBT (OR HAD NOT RULED IT OUT IN CASE OF JAPAN), BUT THAT WE HAD NOT YET RECEIVED DEFINITIVE RESPONSE FROM ALL.

3. RAMAKRISHNA TOLD US WORLD BANK WAS PREPARING PAPER FOR CIRCULATION WHICH SEEMED CONSISTENT WITH FFX IDEA AND WOULD PERMIT CREDITORS USE VARIETY OF MEANS PROVIDE HIGH QUALITY

AID TO INDIA WITHOUT INSISTING EACH CONSORTIUM MEMBER RESCHEDULE SOME DEBT. ACCORDING RAMAKRISHNA, BANK PAPER WILL BE CIRCULATED IN ABOUT ONE WEEK.

4. COMMENT - RAMAKRISHNA WAS UNAWARE OF EMBASSY NEW DELHI DISCUSSIONS WITH GOI, BUT SEEMED FULLY AWARE OF PROBLEMS WE FACE WITH CONGRESS IN FURTHER DEBT RESCHEDULING. HE SAID SECRETARY SIMON REVIEWED THESE WHEN FINMIN SUBRAMANIAM WAS HERE IN JANUARY. ON WHOLE, DISCUSSION WAS UPBEAT; WHILE OBVIOUSLY UNINSTRUCTED, RAMAKRISHNA DID NOT TRY TO KNOCK DOWN USG APPROACH; HIS PRINCIPAL CONCERN WAS THAT WE NOT ACT IN WAY THAT LED OTHERS TO PULL OUT OF DEBT RELIEF EXERCISE. KISSINGER

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GOVERNMENT DEBTS, DEBT REPAYMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 APR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE082075  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** RBMORLEY:JES  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750126-0926  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750461/aaaaceop.tel  
**Line Count:** 97  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 66345  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MorefiRH  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 09 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <09 APR 2003 by ShawDG>; APPROVED <21 MAY 2003 by MorefiRH>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** DEBT RESCHEDULING FOR INDIA  
**TAGS:** EFIN, EAID, US, IN  
**To:** NEW DELHI MULTIPLE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006